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REPUBLIC OF SOUTH AFRICA

GREEN PAPER: NATIONAL STRATEGIC PLANNING

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Part 2

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IV. OUTCOMES AND PROCESSES

What will be the products or outcomes of planning? How will they be developed?

9. A long-term vision for development

A National Planning Commission, headed by the Minister in The Presidency for National Planning, will lead in the development of a long-term national strategic plan. International best practice suggests that a fifteen-year time horizon is near enough to allow for realistic assumptions and distant enough to allow for the creative engagement that leads to the formulation of a common vision. It could well be that 15 years are too short a time to make enough progress in meeting the objectives and that a longer time horizon can be considered. On the other hand, a plan with too distant a horizon may lead to such generalities that it becomes practically meaningless for modelling, projections and social mobilisation.

Why do we need a vision and a long-term strategic plan?

- The mobilisation of society around a commonly agreed set of long-term goals is a key aspect of a successful developmental state.
- Greater coherence in government's work can only be achieved if there is a common understanding in enough detail of the long-term objectives and direction of our society.
- Longer term planning is good for South Africa for all parts of government – from national to local – and for the private sector – from big businesses to small. A national vision that is widely understood and agreed on will encourage a longer term view from all key institutions, allowing them to invest with greater confidence in buildings, equipment, and their employees.

In this context, the long-term plan, South Africa Vision 2025, will spell out where South Africa wants to be as a society in 2025:

- How far will we have reduced poverty and inequality?
- How many people will be employed in what kind of jobs, and how will we care for the remaining unemployed?
- How much lower will the rate of violent crime be, and how will we have achieved that objective?
- How will our health be cared for, and how low will TB and HIV and AIDS infection rates have fallen?
- How many children will finish school and how many will go to colleges and universities?
- How many of us will need private vehicles to get to school and to work, and how will our public transport system operate?
- Where will we be living? How much more urbanisation do we expect and plan for? Conversely, by how much do we expect the output and wealth of our rural areas to improve?
- What will be the underlying growth rate, on average, that will allow us to achieve our other goals, and how will we reach that growth rate?

Therefore, as stated in the Medium Term Strategic Framework, in broad terms, South Africa Vision 2025 could project a society in which:

- A democratic and legitimate state based on values of the Constitution works with all sectors of society to improve the human condition.
- People are united in their diversity, fully appreciating the common interest that binds them as a nation.
- Conditions have been created for the full participation of women in all critical areas of human endeavour.
- There are effective programmes to reduce poverty and inequality and protect the most vulnerable in society, including youth, children, people with disability and the elderly.
- The country's natural wealth and its human resources are harnessed to ensure a growing economy which benefits all, and which uses natural resources and modern technology in a beneficial and sustainable manner.
- The private sector is afforded an environment to invest and make competitive returns while promoting the common interests of the nation.
- The State is efficient in providing services and gives leadership to the programme of national development.
- Able-bodied citizens and all work-seekers have access to decent jobs, workers' rights are protected and social security measures are comprehensive enough to cover all citizens in need.
- Individuals and communities at work and at leisure are informed by a value system of mutual respect and human solidarity.
- The State and all sectors of society work with their counterparts in Africa and across the globe to build a better world.

Developing the vision will involve several activities, some in sequence and some in parallel. It will include commissioning new research and the collation of existing research and planning material. It will involve discussion within government and interactions with experts. It will involve extensive consultations with a wide range of stakeholders and agencies. That will include worker and business leaders, religious and other non-governmental organisation leaders, and representatives of women, people with disability, young people and marginalised sectors. At the end of the discussion and consultation a common vision will be compiled and presented to the nation and made widely accessible. It will then act as a framework for planning by all institutions. It will be regularly reviewed, say every five years.

Such a vision with concrete objectives would reflect more than just government's intentions, activities and projects. Developed in dialogue among social partners, it

should also encompass a broad outline of how all major role-players would contribute to its realisation.

A possible outline of the vision— a national strategic plan

- Preamble—a message from the President
- The purpose of a national vision
- The process that led to the vision
- Defining the challenges
- Our key goals
- Strategic thrusts
- Key national programmes and the entities responsible
- Monitoring process
- Review and communication

It is intended that our first national vision is presented to the nation within a year of this green paper being published.

10. Medium Term Strategic Framework and Programme of Action

The Medium Term Strategic Framework for 2009–2014: Together Doing More and Better, based on the national election mandate, has been adopted and published. It is a framework that identifies priorities and a few key programmes for the five-year term of office of the Government. It will be reviewed annually, in the light of a changing environment and experience in implementation. Ideally, besides the electoral mandate, a medium-term programme of government should draw its posture and content from the long-term plan. The annual review of the base Medium Term Strategic Framework document in 2010 should ensure such alignment with the long-term plan, without detracting from the electoral mandate.

The development of the Medium Term Strategic Framework and its annual update will be led by the Minister in The Presidency for National Planning working with the Ministerial Committee on Planning. It will take on board inputs from government departments, clusters, provinces, municipalities and state owned enterprises.

The current annual planning cycle, which will need to be improved, is as follows:

- The base Five-Year Medium Term Strategic Framework is adopted at the beginning of the mandate period. The annual update of the framework is adopted by Cabinet at the July Cabinet lekgotla. It is then circulated to government departments and provinces; by which time they would have finalised their initial budget submissions, which are forwarded to National Treasury during the same month of July.

- The Medium Term Budget Policy Statement is presented to Parliament in October.
- In December, the integration of detailed programmes for the following year begins; and these are adopted at the January Cabinet lekgotla and articulated in the President's State of the Nation Address in February. In other words, the detailed programme for the year contains items that are already budgeted for.
- The Programme of Action is an annual statement of government's priorities for the year. It is informed by the Medium Term Strategic Framework, the deliberations of the January Cabinet lekgotla and the President's State of the Nation Address.

11. Anticipating and addressing strategic issues and trends

A core role of The Presidency's planning function is the preparation of the three key products of the planning cycle:

- the long term product (National Strategic Visions)
- the medium term product (Medium Term Strategic Framework)
- the short term product (Programme of Action)

A further core activity will be to initiate focussed reflection by the Executive and/or society at large on major areas of government work. Specific areas of policy research would be identified – mainly the kinds of issues that are key drivers of the nation's development trajectory, that have major macro-social implications and that are therefore critical for long-term planning. The Presidency will ensure monitoring of trends in these areas as well as coordination and leadership in their management.

National planning issues that could be the subject of ad hoc investigations:

- Long-term macro social and demographic trends
- Long-term availability of water
- Energy consumption and production
- Conservation, biodiversity and climate change mitigation and adaptation
- Local economic development and spatial settlements trends
- Food security and sustainable rural development
- Innovation, technology and equitable economic growth
- Public transport: medium and long term choices
- Poverty, inequality and the challenge of social cohesion
- National health profile and developmental health care strategies
- Defence industry and long-term defence capabilities
- Regional, continental and global dynamics and their long-term implications
- Industrial development trends and changing structure of the economy
- Capability and performance of the public service
- Advancing human resources for national development.

Such investigations would be done under the supervision of the Minister for National Planning, working with the National Planning Commission. They would be carried out in partnership with relevant departments, clusters and specialist agencies outside of government. The results of the investigations will be published and their findings presented to the relevant organs of government and Parliament, and prepared for decisions where appropriate.

12. Spatial dimensions of development

National spatial guidelines are tools for bringing about coordinated government action and alignment. They will be developed under the supervision of the Minister for National Planning, working with the National Planning Commission and in partnership with relevant departments, clusters and specialist agencies outside of government. A spatial dimension to planning is critical to reversing the legacies of apartheid's bantustan policies and our fragmented urban areas. International best practice suggests that spatial planning instruments are being increasingly used to pursue and achieve alignment. They include spatial development perspectives and guidelines for infrastructure investment and social spending. 4

These overarching instruments do not predetermine from the centre what should happen where, when and how. That is what earlier examples tended to do, but now it is rather a matter of utilising space as a common backdrop against which investment and spending decisions can be considered. Their key purpose is to bring about synergy and complementarities in the spatial effects of government action.

The ultimate aim is to maximise the social and economic returns on government development spending. These perspectives would also help guide and complement private sector planning.

A major argument for national spatial guidelines is that the many policies and actions of government impacting on geographic places need to be coordinated, but within a clear frame of reference.⁵ From this point of view, setting the frame of reference becomes the fundamental task of national spatial guidelines, which are focused on the “systematic coordination of various policies and activities aimed at influencing future developments”.

National spatial perspectives are therefore crucial instruments to support the development of regions by coordinating policies and programmes according to set principles and guidelines.

An overarching spatial framework and guidelines spelling out government’s spatial priorities are needed to focus government action and provide the platform for alignment and coordination. ⁷ Spatial frameworks establish an overarching mechanism/framework to:

- discuss development of the national space economy;
- provide a principled approach to coordinate and guide policy implementation across government;
- provide a common reference point for interpreting spatial realities and the implications for government intervention and private sector activity.

13. What the planning function will not do

The work of the planning function can be further clarified by saying what it will not do:

- **Micro-planning and sector planning:** Micro-planning and sector planning will not be undertaken in The Presidency. Rather, the Planning Ministry will utilise the capacities of departments, clusters, provinces, municipalities and state agencies to input into national strategic planning. Where necessary, it will identify initiatives that can be undertaken by these institutions or by The Presidency with their support.
- **Gate-keeping:** It would remain a responsibility of The Presidency to try to ensure a high standard of planning by government departments, state-owned enterprises, and provincial and local governments. However, to become a gatekeeper by seeking to approve every detailed plan and programme in government would be undesirable and impractical.
- **Budgeting:** A key objective of national strategic planning is to prioritise the allocation of resources within a broad developmental framework. Another is to ensure greater efficiency in allocating and using resources. But it cannot

achieve these objectives by taking over National Treasury's responsibility for budgeting. The Treasury will retain its

- current responsibilities. The influence of planning over resource allocation will rather be through:
 - its ability to identify strategic priorities over the medium to long-term (including
 - its ability to interrogate and critique the quality of spending in the short- to medium-term
 - its direct involvement in the committee(s) dealing with budgetary matters.

It should be emphasised though that planning will influence sectoral plans and the allocation of resources through careful identification of priorities, the development of detailed targets, for various sectors and other means identified above.

V. SYSTEMS AND STRUCTURES

What structures and systems, then, will deliver the products outlined above? The proposed model, based on our own experience as well as the international studies cited above, can be summarised as follows:

- leadership of society by a legitimate and democratic state, with a variety of capacities to lead national development
- the central role of The Presidency, working with the rest of the Executive to lead national strategic planning
- a National Planning Commission (led by the Minister in The Presidency for National Planning made up of prominent individuals with expertise and intellectual capacity to draft a long-term vision, and to assist in mobilising society around the vision and in other tasks related to strategic planning
- streamlined planning structures and processes across national government, relevant state agencies and the provincial and local spheres
- partnership with research, academic and other institutions.

There are five key planning institutions (recognising that planning is a broad process involving multiple institutions some of which are outside government). Two exist already, namely Cabinet and the President's Coordinating Council, an intergovernmental coordinating forum. Three new institutions are proposed:

- a National Planning Commission consisting of external commissioners
- a Ministerial Committee on Planning to provide guidance and support to the planning function
- a secretariat to support the work of the commission.

Furthermore, the planning ministry, in conjunction with other ministries, would interact with broader societal stakeholders in the development and implementation of a national plan.

Proposed institutional arrangements



14. Cabinet

In our system of government, the President is the ultimate head of government and of the State. The President exercises these responsibilities in Cabinet, which is the collective seat of decision-making. Major policy decisions, including the adoption of medium and long-term plans and development targets, are the collective responsibility of Cabinet. Cabinet is collectively accountable for decisions that it takes and for the high level impacts that are achieved. The budget is also a statement of the Executive, linking plans with resources.

Because Cabinet is the key policy making Executive authority in government, it will have to ultimately approve any plan or strategic sectoral plans that are tabled before these have the effect of approved policy. Cabinet will be responsible for the implementation of any national plan, whilst recognising that all South Africans would play a role in achieving the outcomes we seek. The National Planning Commission will from time to time contribute to reviews of implementation or progress in achieving the objectives of a national plan.

Because a national plan would be implemented mainly by government, there has to be structured interaction between Cabinet and the commission. The Minister for National Planning will liaise between the commission and the Government. But wider society including labour, business, civil society and marginalised communities all have a role to play in implementing the plan. Here too, the minister will facilitate between the commission and broader society. The Cabinet, led by the President,

would need to take collective ownership of any plan produced and agreed to. It would champion the plan throughout government and society.

15. National Planning Commission

It is proposed that a National Planning Commission would develop a national plan for South Africa in consultation with government and in partnership with broader society. It will consist of respected intellectuals, leaders and experts in our country. Commissioners will be appointed by the President; and the Minister for National Planning will chair the commission. Unencumbered by the constraints of government, and being able to take a longer-term perspective, the commission will produce a draft long-term, overarching plan for the country as a whole.

The Minister for National Planning will be the link between government and the commission. The minister will draw the views and perspectives of government into the work of the commission and advise the commission about the workings of government.

The commissioners will be respected thinkers able to bring fresh insight into the development of a long-term plan for South Africa. They should be able to be critical advisors to government and to represent the long term aspirations of all South Africans for a non-racial, non-sexist, democratic and prosperous future for the country. They must be the voice of the future, putting the interests of long-term development and progress at the centre of their recommendations. Commissioners should collectively have expertise and practical experience in areas such as business, finance, labour, politics, sociology (including matters related to poverty eradication), economics, science, technology, demographics and development.

The commission will be a permanent institution with part-time commissioners. Its mandate will be updated and renewed periodically by the President. While it is envisaged that a national plan will be developed by 2010, planning is a dynamic function that would require regular input from the commission. Furthermore, the minister will work with the commission in conducting research and producing papers on critical trends that would feed into government's policy and planning work.

The minister will also work with the commission to table papers on topics relevant to the long-term development of the country. These papers will highlight the policy implications of specific trends and developments in the world or in South Africa. The commission may establish expert panels consisting of respected thinkers on any particular topic, both inside and outside government. The expert panels will advise

on issues such as food security, water security, energy choices, economic development, poverty and inequality, climate change,

Because of the standing of its members, the commission will play a critical role in mobilising the country around the vision and strategic plan. It will help identify and acquire human and other resources for national planning. It will contribute to developing international partnerships and networks of expertise.

It is envisaged that, once set up, the commission will initiate research and consultation on the vision and strategic plan. It will be supported in this by departments, spheres of government, clusters, state-owned entities, research institutes as well as sectoral and other organisations within and outside of government. These role-players and others will be expected to make inputs and, where appropriate, to assist with research in their areas of specialisation. In other words, the process will be consultative from the very beginning.

The commission's work will be supported by a secretariat based in The Presidency.

16. Ministerial Committee on Planning

A Ministerial Committee on Planning will be established to provide collective input into planning. It is envisaged that the committee will be appointed by the President, who, with the Deputy President, will be ex-officio members. It will be co-ordinated and chaired by the Minister in The Presidency for National Planning. The minister will feed the work of the National Planning Commission into government and Cabinet through this ministerial committee. The committee's overarching role will be to:

- provide political guidance to the planning process
- support the planning ministry in driving strategic planning
- ensure consistent and integrated policies and programmes across multiple layers of policy-making, planning and implementation.

It will help feed the views of government into the work of the National Planning Commission through the Minister for National Planning.

The development of the Medium Term Strategic Framework will be led by the planning minister with input from this committee before it is tabled in Cabinet. Similarly, the annual update of the Medium Term Strategic Framework will be facilitated by the minister with the support and input of the Ministerial Committee on Planning.

The planning minister – and possibly other members of the Ministerial Committee on Planning – will also be members of the Ministerial Committee on the Budget. The latter committee deals with detailed matters of budgeting and their membership will ensure ongoing osmosis of ideas and approaches beyond the exchange of documents.

17. The need for broader societal consultation

Visions and strategic plans can only find expression in practical life if they enjoy the support of the overwhelming majority in society. In turn, the capacity and effectiveness of states to lead, to transform and to enjoy legitimacy is in large measure dependent on the extent to which they are ‘embedded across a broad range of social actors’. [Evans, P.B. 2006, What will the 21st century developmental state look like? Implications for contemporary development theory for the state’s role.]

So there must be structured engagements to forge common cause among a broad range of social actors in articulating a national socio-economic vision and the priority tasks to achieve the vision. In turn there must be appropriate platforms to facilitate social dialogue, agreement and partnership with external stakeholders.

The Minister for National Planning will lead the interaction between the government, the commission and society on the development of a national plan. This consultation will take place through institutions such as the sector forums set up for consultations with the President, NEDLAC and sectoral interest groups. The main aim will be to forge a development vision shared between government and external stakeholders, defining shared national goals and priorities.

We need appropriate and new forms of engagement with social partners to get contributions to the formulation of a national plan and buy-in to the result. However, such interaction should not become a negotiating forum where ideas are watered down to meet the lowest common interest of stakeholders. A national plan must be bold, long-term and coherent, representing the highest aspirations of South Africans.

18. Planning ministry and supporting capacity in The Presidency

The Government’s overarching objective with respect to planning is to enhance South Africa’s socio-economic development by improving planning and coordination within government and managing the country’s development processes. Acting with the authority, under the guidance of and on behalf of the President, the Minister in The Presidency for National Planning is responsible for

coordinating the planning process and will be politically accountable for delivering certain outputs.

The ministry will contain the Secretariat to the National Planning Commission. The Secretariat will support the commission's work and do background work the commission needs to fulfil its objectives. The ministry will also be responsible for ensuring that the plan feeds into the planning of departments, agencies and spheres. This is premised on the understanding that clusters, departments, spheres and relevant state entities would have strategic planning capacity to feed into the making of the generic strategic plan.

The ministry will be tasked with focusing government towards the achievement of clear goals and ensuring synergy across sectors and spheres. To do that it will have to have in place a well-structured and coherent national planning process at the apex of government. That process will have to be backed by a well organised and technically capable institutional machinery infused with a high degree of authority and leverage. The planning ministry is thus intended to be a recognised institutional centre for national strategic planning working under the guidance of the President and Deputy President. It will undertake its mandate in collaboration with the Minister in The Presidency for Performance Monitoring and Evaluation.

The national planning function (which encompasses the planning ministry, the commission, the secretariat and other supportive Executive, consultative, administrative and technical structures) will need to ensure that government has the capacity to direct socio-economic development, working in partnership with all social partners.

This means that the planning ministry should lead the work of planning across government and in the National Planning Commission.

Firstly, the Minister should lead government's interaction with the commission and the social partners in developing a common strategic vision and ensuing detailed targets; identifying common and disparate activities that each of the partners will undertake to pursue these objectives.

Secondly, the planning ministry will be the centre for coordinating government's planning efforts across the spheres and in relevant state agencies. This presumes political capacity, under the leadership of the President and the Deputy President, as well as utilisation of the "collegium" of Cabinet and its substructures – proceeding from the understanding that Cabinet is the ultimate repository of national policy-making.

Thirdly, the planning ministry will coordinate national government's interaction on matters of strategic planning with the other spheres of government:

- in integrating the input of the other spheres into the national plan
- in the iteration that will be necessary in the development of 'sub-national' strategic plans;
- in the adoption and operationalisation of the national plan.

Furthermore, the planning ministry must help enhance government's capacity to do long-term planning.

Fourthly, the planning ministry will need to be backed up by administrative and technical capacity, by a secretariat to the commission within The Presidency. The secretariat will conduct and coordinate research, align planning capacities across government – including by ensuring common methodologies, integrity of data systems and complementarities of planning activities and projects. It will liaise with its administrative and technical counterparts in the departments, provinces, municipalities and state agencies.

Fifthly, the planning ministry will need to develop networks of knowledge and expertise in quasistate research centres, academic institutions, civil society, private sector agencies and so on.

Lastly, the planning ministry will have systems of interaction with the **budgeting process, state-owned enterprises and development finance institutions**, to ensure that their plans are in line with national strategies and that their capacities and leverage are optimally deployed to help direct national development.

Several categories of external expertise would be utilised. That would include: state-funded research institutions such as the Human Science Research Council, The council for Scientific and Industrial Research, state-owned enterprises and the development finance institutions such as the Development Bank of Southern Africa and the Industrial Development Corporation, specialist institutions in universities, think tanks and private research organisations.

An alternative to this approach could be to follow the South Korean approach and set up an institute or several institutes to provide high quality, independent expert advice to the Government's planning function.

Given the limited availability of skills in the country, it would be more productive and cost-effective for government and society at large to choose the path of building long-term relationships with existing institutions, possibly including the establishment of dedicated units within those institutions.

To facilitate strategic alignment and consolidate partnerships, the Minister for National Planning will attend strategic joint meetings through which the Minister of Public Enterprises interacts with state-owned enterprises. The planning minister would also attend strategic joint meetings of development finance institutions in the proposed DFI council, through which the Minister of Finance is expected to interact with them. This is besides the direct technical relationships that will be developed between The Presidency's planning function and these institutions.

Overall, planning in the Presidency will be guided by the Cabinet collective. It will benefit from the outcome of planning in the clusters, ministries, spheres of government and relevant state agencies. But it will be more than just a synthesiser and integrator. Rather it will also initiate and/or propose strategic planning activities across government. At all times, planning in The Presidency will be undertaken in iterative processes with affected agencies; but it will always be under the guidance of and with the authority of the President as the head of the government and the State.

19. Intergovernmental planning

What will be the role of sub-national spheres of government in national planning? Specifically, how can provincial and local spheres be actively involved in planning to ensure coherence in intergovernmental planning and policy-making? The key principle is that national strategic planning should not be unidirectional, rigid or top-down. It must inform and be informed by sector plans and provincial and local plans.

The principled approach to this issue is informed by the precepts of the Constitution, particularly Section 41 (1):

“All spheres of government and all organs of state within each sphere must

- a. preserve the peace, national unity and the indivisibility of the Republic;
- b. secure the well-being of the people of the Republic;
- c. provide effective, transparent, accountable and coherent government for the Republic as a whole;
- d. be loyal to the Constitution, the Republic and its people;
- e. respect the Constitutional status, institutions, powers and functions of government in the other spheres;
- f. not assume any power or function except those conferred on them in terms of the Constitution;
- g. exercise their powers and perform their functions in a manner that does not

encroach on the geographical, functional or institutional integrity of government in another sphere; and

- h. cooperate with one another in mutual trust and good faith by:
 - i. fostering friendly relations;
 - ii. assisting and supporting one another;
 - iii. informing one another of, and consulting one another on, matters of common interest;
 - iv. coordinating their actions and legislation with one another;
 - v. adhering to agreed procedures; and
 - vi. avoid legal proceedings against one another [The Constitution of the Republic of South Africa]

A number of intergovernmental structures already exist to promote and facilitate cooperative governance and intergovernmental relations between the respective spheres of government. In particular:

- The Extended Cabinet meetings (makgotla) involve all Premiers and provincial directors-general as well as the political and management leadership of the South African Local Government Association (SALGA). This is the forum where the National Strategic Plan, the Medium Term Strategic Framework and the Programme of Action would be discussed and adopted.
- The President's Intergovernmental Forum, akin to the erstwhile President's Coordinating Council, comprises the President; Ministers in The Presidency and any other ministers or deputy ministers invited by the President; the nine Premiers and representatives of local government. It will play a critical role in addressing matters of national strategic planning and performance management that affect the common and disparate interests of the three spheres of government.

The Presidency will also have to develop institutional linkages with counterparts responsible for strategic planning and policy coordination in the provinces and municipalities. Capacity for planning and coordination may need to be strengthened at sub-national levels. However, the temptation to uncritically replicate national structures and processes should be discouraged. Further, within the ambit of the Constitution, the impression of a federation of planning structures across departments and spheres of government should be avoided.

The products of planning— from the national vision, the Medium Term Strategic Framework, provincial growth and development instruments, to municipal development plans and programmes of action – will have to be aligned. Thus, the sub-national structures will need to interact with the planning function in The Presidency.

Similarly, mechanisms of iteration in developing the national strategic plan, in particular, should ensure collective ownership of the final product by all spheres and commitment to implementing it. As a matter of principle, the national planning institutions and processes, including national planning makgotla, (involving all spheres of government) and the outcomes of such planning will enjoy pre-eminence in relation to sub-national structures, activities and products. The National Strategic Plan will define the framework for detailed planning and action across all spheres.

20. Parliament

As the role of planning is elevated in government, so too will Parliament need to develop mechanisms to oversee the planning process and to contribute to ensuring successful implementation of a national plan.

It may need to set up cross-cutting and possibly other *ad hoc* committees firstly, to interact with the Minister in The Presidency for National Planning; secondly, to input into the planning process; and, thirdly, to consider the outputs of the planning process. In this process, it may need to draw on the work of both houses of Parliament and all committees.

As such, Parliament (and through it, political stakeholders) would have a incisive role to play in interrogating and enriching the vision, and in ensuring that it is embraced by broader society.

At the same time, a variety of platforms may need to be identified for the planning ministry to interact directly with communities, particularly in development of the vision. Other instruments, such as opinion surveys may stand the planning function in good stead in this regard.

21. Milestones of performance monitoring and evaluation and feedback loop

The planning function and the monitoring and evaluation function in The Presidency are intimately linked, in two fundamental ways:

- Good planning should provide excellent criteria to judge progress. Planning is meaningless without long-term objectives and milestones on the road to those objectives. For these reasons, the monitoring and evaluation function in The Presidency will have to be involved in finalising planning instruments (including the vision, the Medium Term Strategic Framework, and programme of action).

- There is a feedback loop between monitoring and evaluation, and planning. Performance monitoring and evaluation will assess progress, identify constraints, weaknesses and failures in implementation, and effect mechanisms of correction or enhancement. The processes and results of monitoring and evaluation will be critical to planning and may result in modified sequencing of programmes. If problems are systemic or successes extraordinary, the products of monitoring and evaluation could even lead to the adjustment of medium and long-term plans.

For these reasons, there ought to be a systemic and ongoing relationship between the planning system and the monitoring and evaluation system. This will be facilitated by the location of both systems at the apex in The Presidency.

VI. CONCLUSION

Our proposals derive from lessons learnt over the fifteen years of democratic government. They are informed by the need to improve the quality of life of all the people of our country, proceeding from the understanding that government does not exist for its own sake but to lead and to serve.

To play this role effectively, government should develop strategic and institutional capacity and work with all social partners and with society at large to identify our nation's long-term objectives and the path towards attaining them. The planning function is tasked with developing a national plan and other, shorter-term, products.

Together with the discussion paper on performance monitoring and evaluation, this paper is intended to initiate public discussion on the systems and structures required to improve government performance through better policy coordination, planning and implementation.

The proposals are informed by the country's Constitutional and legal framework. In the future, in the light of practical experience, government working with all social partners will determine whether, if at all, any new legal instruments are needed to ensure the realisation of the objectives set out in the paper.

Critically, the proposals are informed by the understanding that our success as a nation depends on the involvement of citizens in identifying the nation's vision and working together to realise it.

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ANNEXURE I - Lessons from international experience

A report prepared for the Presidency on country studies into national planning summarises the history of planning in the following way:

“Development planning is a determinedly 20th century concept. It still has resonance in the 21st century because it has been modernised to reflect new ideas about the nation state in an increasingly global society as well as about effective processes of communication and behavioural management in large organizations and complex societies.

“It also reflects new understandings of ‘development’, which was initially essentially an economic concept, albeit one concerned with distribution of wealth and income and not just with growth. As our understanding of the objectives of society have become more clearly expressed, social, environmental and political dimensions have been added to the economic concept of development. These reflect considerations of the quality of life as well as an understanding that the achievement of political voice helps to enable social priorities to be translated into public action. For this review, development is thus understood to reflect the quality of economic growth. Twentieth century development planning was essentially a product of socialism.

“Planning provided the formal mechanism to allocate capital as well as guide the distribution of goods and productive resources in state-controlled economies where the means of production were socialised and markets controlled. As such, it is important to distinguish between the ownership of the means of production and the mechanism through which decisions were taken within that system.

“The apparent success of the instruments of central planning in the first decades of the Soviet Union saw them adopted and promoted in the mixed economies of Western Europe and seized upon with enthusiasm in the early years of independence by their former colonies.

“In both cases, they were adapted to provide a framework through which national governments could address the particular challenges of their times; the management of demand to achieve full employment and welfare objectives in Europe; the mobilisation and direction of investment to achieve economic transformation and higher standards of living in newly independent states of Africa and Asia. In the former, planning was associated with economists like Pigou and John Maynard Keynes, in the latter, by the prescriptions of development

economists such as W Arthur Lewis and Jan Tinbergen and politicians from Nehru to Nyerere.

“The collapse of the Soviet bloc in the 80s, coupled with the mixed success of the newly independent post-colonial states saw a decline of interest in and the prestige of development planning processes. This coincided with the dominance of what became known as the Washington Consensus, a conservative approach to economic management with a limited role for the State.

“Paradoxically, during this period, growing attention was being paid to long term strategic planning in capitalist firms. They had also discovered that, in complex organisations, it was impossible to make meaningful use of large volumes of detailed information in conditions of substantial external uncertainty, which became evident at time scales longer than a few years. However, shareholders and managers still needed to guide the evolution of their organizations.

“As a consequence, while formerly centrally planned nations were abandoning structured, planned state intervention, large firms, which were not subject to the same ideological constraints, continued to plan but developed new methodologies that were more appropriate to the complex and uncertain environments in which they operated.

“The planning processes used by large firms evolved from detailed organisation-wide mechanical models that sought to predict future trends to indicative and strategic instruments and processes. These were designed to ensure that organisations could achieve their (admittedly, relatively simple) goals in the face of uncertainty.

“An important part was played in this process by the handful of countries, principally in East Asia, which successfully adopted and applied national development planning to the achievement of national goals in the 60s and 70s but then adapted it to the changing global environment. Their systems reflected many of the broad changes in approach that were evolving in the private sector but also brought with them some of the more useful tools from the earlier period.” [Muller, M. 2007, Report on country studies for The Presidency – Strategic national development planning in South Korea, India, Brazil, Malaysia]

Better strategic planning and the resultant more effective management of development processes require quality institutions that can resolve coordination and integrative problems that constitute barriers to inclusive growth and development. All the countries that realised rapid and sustained development set

up institutions and systems at the apex of government to drive the processes of realising commitments of the long-term plan.

The systems, institutions and processes of strategic national development planning in the countries studied vary considerably, mirroring each country's unique socio-economic and political history. The important lesson to draw from these differences is that a variety of institutional centres are utilised, and there is no 'single institutional tap root' [Haggard, S. 2004 "Institutions and growth in East Asia", *Studies in Comparative International Development*, Winter 2004, Vol. 38, No. 4] to drive growth and development.

The success, in particular, of the East Asian countries which experienced explosive and sustained growth highlights the importance of focusing not only on the form of institutions and the capacity of the state, but also on mobilisation of the public service and all of society behind a long-term vision. Strategic long-term planning and the institutions underpinning it should be rooted in the traditions of each society and aimed at its socio-economic imperatives. Clear justification existed as to why the societies of East Asia embraced certain policies and it was the underlying political and social processes that determined the form and quality of the institutions to drive growth and development.

Japan felt that the only way it could be an important global player was by becoming an industrial power house. In Malaysia, inter-racial tensions which reached their highest point in the 1960s, propelled the country to consider national strategic planning to expand the economic base, and to ensure more equitable distribution of resources and national unity. In the late 1970s and 1980s Thailand's external security concerns were amongst the incentives for structural transformation.

The outcomes of strategic national development planning have also been vastly different.

The Philippines had a higher Gross National Product (GNP) per capita than Malaysia in the 1950s and Thailand in the 1970s. By 1990 Malaysia's GNP per capita was three times and Thailand's almost twice that of the Philippines even though the Philippines also set up a planning and coordination machinery. Instructively, in the Philippines, the core decision-making structures comprised four oversight agencies responsible for economic policy-making with little coordination between them. In contrast Malaysia, Thailand and South Korea have much stronger interagency coordination to plan and execute the development plan concentrated in the office of the head of government.

A common striking feature of the successful states, particularly Malaysia, has been effective coordination and linking of the central coordinating agencies into the machinery of the development planning process – the Ministries of Finance, Industry and Public Service and Administration for example are closely linked to the bodies responsible for planning and implementation co-ordination in the Prime Minister's office.

The example of Nigeria highlights why focusing merely on the functions institutions might perform is not sufficient to improve development performance. Nigeria introduced a National Planning Commission through a law enacted in 1993. The principal function of the commission is to draw up national economic priorities and programmes and map out implementation strategies. However, economic performance in Nigeria between 1993 and 2008 was not optimal.

The examples of the Philippines and Nigeria show that development performance will not be improved by focusing just on planning without sufficient attention to policy development and political and administrative institutions that support planning and drive implementation.

All the successful cases show that a recognised institutional centre for nationwide planning with advanced strategic, political, organisational and technical capabilities is critical for successful implementation. Also fundamental is the articulation of national plans with sector, provincial and municipal plans. In all the cases, including Brazil, strategic development planning has historically been located in the office of the head of government. Even in the case of India, which has a National Planning Commission, the Prime Minister is the champion and leader of the strategic national development planning process.

There is however a variety of approaches towards the location of the administrative and technical support to the planning process. The Korean Government combined internal and external technical capability to support planning, enlisting the semi-independent Korean Development Institute. In Malaysia and India, significant technical support is located internally in India's National Planning Commission and Malaysia's Economic Planning Unit – both located in the Prime Minister's Office.

Countries also have varied approaches to the focus of planning. Some such as South Korea identifies economic development as the singular goal of their strategic plan in the early period. This included supporting particular industrial sectors in order to reach that goal. Others, such as Malaysia, combined the imperative of economic development with that of social development. Today planning almost universally serves as the basis for implementing both social and economic policy. The countries

studied show that, properly applied, national strategic planning can lead to the achievement of national goals and objectives.

A clear distinction should be made between social and economic policy-making and planning.

Planning is not policy-making: it is a process to inform and then realise the objectives of that policy. The East Asian experience demonstrates that where national development planning is properly adopted and applied it can lead to the achievement of national goals and objectives. In contrast where planning was used to legitimise poorly conceived policies, planning retarded development.

The examples highlight the fact that the task of national development planning should also be about mobilising all sections of society to embrace a clear vision about the kind of society that should be built. Having set this broad vision about the direction and destination of society, a national development plan identifies specific areas that the nation wants to prioritise to achieve its vision. The imperative for setting priorities arises from a simple realisation that societies face constraints – these are constraints of limited resources and sometimes limited opportunities. Constraints demand that governments think carefully not only about where they want to intervene, but also about how to prioritise and sequence such interventions and the trade-offs entailed.

Involving social actors in the development of a national vision is fundamental. The collective process ensures that national plans enjoy popular support and legitimacy. This is the role of development strategies and plans as consensus-builders. Each successful planning process built consensus in ways appropriate to its own history, culture and institutions.

There is however much more to national planning than building consensus: it is also about coordinating and integrating the actions and plans of social actors so that they work towards the same goals. This kind of national planning mobilises all sectors of society behind a collectively developed vision for the country, and the effect of this inclusive planning is that it transforms the plan from being just a government plan into a societal plan. South Korea and Malaysia were highly effective in developing relationships with the private sector in particular, with very positive effects on growth.

Developmentally successful countries such as South Korea were able to ensure that national development planning enabled resource allocation and investment to be coordinated and undertaken in a spatially targeted way, i.e. national development planning occurs within a paradigm of regional development.

Lastly, in understanding these international experiences, a number of qualifications are in order. For some of these countries, these qualifications include:

- the global environment in which these states and their plans evolved, not least of which are the geo-political dynamics of the Cold War era;
- the regional environment including the size of regional markets and the trajectories of development in neighbouring states;
- the forms of government which, in some cases, entailed authoritarian command of resources and actions of some of the social partners; and
- the size and level of advancement of the private sector and the extent of global integration in the earlier years.

This however does not subtract from the variety of positive features in some of these countries which rendered high rates of growth and development possible. For our part, South Africa has chosen a course characterised, in the main, by attributes and capacities that allow for state leadership in the context of voluntary social partnerships, equitable economic growth, social programmes underpinned by efforts towards comprehensive social security and popular democracy. In other words, the Government will forge a distinctly South African approach to strategic planning.

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